

## **CORPORATE INTEGRITY AGREEMENT EVERGREEN COUNSELING CENTER**

This **CORPORATE INTEGRITY AGREEMENT**, is entered into between Evergreen Counseling Center ("Evergreen") and the Office of Inspector General of the United States Department of Health and Human Services ("HHS/OIG"). Pursuant to this Agreement, Evergreen agrees to undertake the compliance obligations outlined below.

1. Evergreen agrees to implement a Corporate Integrity Program ("Program" or "CIP") to prevent fraud, abuse, and false billing to Medicare and Medicaid by Evergreen, its subsidiaries, employees, independent contractors and third parties who are directly involved in or responsible for the submission of claims to Medicare and Medicaid. The Program shall be maintained so as to ensure, to the extent reasonably possible, that Evergreen and each of its directors, officers, employees and contractors maintain the business integrity required of a participant in federally-funded health care programs, and that Evergreen is in compliance with all laws and regulations applicable to such programs and with the terms of the Agreement set out below.

2. The period of future compliance obligations assumed by Evergreen under this Agreement shall be five (5) years from the date of execution of this Agreement. The annual submissions required under the Agreement shall be submitted on the anniversary date of the execution of this Agreement. All reports and notifications required under this Agreement shall be sent to: ATTN: Lewis Morris, Assistant Inspector General, Office of Counsel to the Inspector General (OCIG), Office of Inspector General, U.S. Department of Health and Human Services, Cohen Building Room 5527, 330 Independence Avenue, SW., Washington, DC 20201, (202) 205-0568.

3. Evergreen agrees to implement the following compliance protocols within 90 days of the date of execution of this Agreement, unless otherwise specified below.

4. Corporate Compliance Policy. Evergreen shall implement written policies reflecting its commitment to ensure compliance with the requirements of this Agreement and with all laws and regulations related to providers participating in federally-funded health care programs. These policies shall be distributed to all appropriate employees and independent contractors. Evergreen shall post in a prominent place accessible to each appropriate employee a notice detailing its commitment to comply with all applicable Medicare and Medicaid laws and regulations in the conduct of its business. A copy of the policies and notice shall be included in the annual report to the HHS/OIG and reviewed annually by the Executive Director and Compliance Officer.

5. Compliance Officer. Within sixty (60) days of the effective date of this Agreement, Evergreen will designate a Compliance Officer, who shall implement the Corporate Integrity Program. The Compliance Officer will report directly to the Executive Director of Evergreen. The Compliance Officer shall be responsible for maintaining, updating, and monitoring Evergreen's compliance with this Agreement, the CIP, and all applicable laws, regulations and policies governing the provision of and billing for services covered by Medicare, Medicaid, or any other federal health care program. The Compliance Officer shall report regularly to the Executive Director of Evergreen concerning Evergreen's compliance with, implementation of, and any material variance from the Corporate Integrity Program and this Agreement. Within 60 days of the execution of this Agreement, Evergreen shall provide the name of the Compliance Officer to Office of Counsel to the Inspector General (OCIG).

6. Training. Evergreen shall establish and maintain an information and education program. The program shall be designed to ensure that each officer, director and employee is aware of all applicable health care laws, including Medicare and Medicaid laws, regulations, and standards of business conduct that such individual is expected to follow and the consequences both to the individual and Evergreen that will ensue from any violation of such requirements.

a. Within ninety (90) days of the execution of this Agreement, each officer, director and employee shall receive at least two hours of initial training regarding: (1) the requirements of this Agreement; (2) the requirements of the CIP; and (3) Medicare and Medicaid requirements for the provision, documentation, and billing for services provided by Evergreen. New officers, directors, and employees shall receive copies of the CIP within one week and such initial training within ninety (90) days of the commencement of their relationship with Evergreen.

b. After the initial training described in subparagraph (a), all officers, directors, and employees shall annually receive at least two hours of additional training regarding the subject matters described in subparagraph (a).

c. Each employee's immediate supervisor shall, whenever reasonably practicable, participate in employee training programs required hereunder.

d. A schedule and topic outline of the training shall be included in the annual report submitted to HHS/OIG.

e. As part of this training, employees will be advised that compliance with the CIP is a condition of their employment. Employees' performance plans, to the extent feasible, should include factors to encourage employees to assure Evergreen's compliance with applicable fraud and abuse laws.

f. Evergreen shall obtain signed certifications from all officers, directors, and employees that they: (1) have received the training required by this Agreement; and (2)

have received, read, and understood the CIP. The certifications shall be maintained and available for HHS review and inspection for a five (5) year period.

7. Intake. At intake, any patient who may be covered by Medicare or Medicaid will be given and asked to review and sign a certification which provides: (1) the patient is receiving medical treatment; (2) his or her insurance (which may include Medicare or Medicaid) will be billed for their treatment; and (3) he or she will be responsible for paying their deductible and co-payment if applicable. The person conducting the intake shall ensure that every patient signs a certification that they understand the above facts.

8. Marketing. Evergreen shall not market, advertise, or promote in any way its services in a manner that is misleading. Evergreen shall not represent or imply that any service that may be covered by Medicare, Medicaid, or any other insurance program or carrier is free or at no cost to the patient. The Compliance Officer shall review all marketing, advertising, outreach, and promotional materials to ensure that they are not misleading about the nature of Evergreen's services or of the obligation of Medicare, Medicaid, the patient, or health care programs or insurance carriers obligation to pay for such services.

9. Medical Documentation. For each service covered by Medicare or Medicaid provided by Evergreen, the medical record for the patient receiving the service shall meet the following standards.

a. Medical records for patients must include notes that are individualized and particular to that individual. Evergreen shall not use "canned" or "boilerplate" passages in patients' medical records.

b. Medical records shall contain all information required by Medicare or Medicaid, including complete documentation of medical necessity and reasonableness of every service. If a psychological evaluation is required for coverage for a particular service, then the record shall contain a written order by a physician, psychologist or clinical social worker appropriately ordering the required evaluation.

c. Each Medicare or Medicaid patient's medical record must include a signed certification by the patient required in paragraph 7 or a signed statement by the clinician that the patient refused to sign the certification.

10. Billing Manager. Evergreen shall designate a Billing Manager who shall be responsible for reviewing claims submitted to Medicare, Medicaid, and other Federal health care programs to promote compliance with all applicable regulations. The Billing Manager shall have a thorough knowledge of Medicare and Medicaid billing requirements applicable to services provided by Evergreen. The Billing Manager's knowledge of Medicare and Medicaid billing requirements and compliance with the CIP will be elements in his or her performance evaluation.

11. Documentation of Free Services. Pursuant to the Settlement Agreement entered into by Evergreen and the United States, Evergreen has agreed to provide "Free Services," within three years following the execution of the Settlement Agreement for which Evergreen would otherwise be able to receive \$54,100.00 from Medicare or Medicaid. Evergreen shall maintain detailed records of all Free Services rendered, and those records will be available upon written request to the Department of Justice, HHS/OIG, or the Health Care Financing Administration. These records will identify the patient(s), date(s) of service, name of treating therapist, and amount which would have been billed. The provision of Free Services must meet all the other requirements set forth in the Settlement Agreement.

12. Certifications. All officers, employees, and independent contractors that regularly provide, document, or bill for services for which Evergreen submits claims to Medicare or Medicaid shall annually sign a certification that they will adhere to the requirements of the CIP, this Agreement, and Medicare and Medicaid policies and report any known violation to the Compliance Officer. These certifications shall be maintained in the personnel files of the applicable individuals.

13. Annual Reports. For a period of five (5) years after the execution of this Agreement, Evergreen will annually provide HHS/OIG with a report regarding its compliance with this Agreement and the Settlement Agreement. In each Annual Report, the Compliance Officer shall provide a written certification that to the best of his or her knowledge: (a) all requirements of this Agreement have been met; (b) all certifications required by this Agreement have been signed and are being maintained by Evergreen; (c) Evergreen has provided the Free Services in compliance with the requirements in the Settlement Agreement; and (d) all required documentation of the Free Services is being maintained by Evergreen. The Annual Report shall include all information required to be reported to HHS/OIG.

14. Reporting Material Credible Evidence of Misconduct. If, during the course of its annual review pursuant to this paragraph, Evergreen discovers any credible evidence of misconduct (including but not limited to material violations of federal law or regulations) concerning its practices, Evergreen will promptly report such evidence of misconduct to HHS/OIG. Evergreen's report to HHS/OIG will include: (a) its findings concerning any such misconduct, (b) its actions to correct such misconduct, and (c) any further steps it plans to take to address such misconduct and prevent them from recurring in the future. A corrective action plan to remedy any material violation shall be in place within forty-five (45) days. Failure to submit a report notifying HHS/OIG of evidence of misconduct would be a material breach of this Agreement.

15. Confidential Disclosure Program and Patient/Employee Hotline. Evergreen shall establish a confidential disclosure program enabling employees to disclose to an identified individual not in that employee's direct chain of command (such as the Compliance Officer) any practices or billing procedures deemed by the employee to be inappropriate. Evergreen shall, as part of the program, require the internal review of any such disclosure and ensure that proper

follow-up is conducted. Evergreen shall include in its annual report to HHS/OIG a summary of all communications that Evergreen, after appropriate inquiry, believes may constitute a material violation of criminal law relating to, or the civil law or the policies and regulations governing, the Medicare and Medicaid Program, as well as a summary of Evergreen's efforts to address such material violations.

Evergreen also shall make available a telephone line that is well-publicized for patients, family members and employees to report suspected violations of applicable law and/or ethical standards. All complaints will be investigated and resolved by employees who are appropriately trained and do not report, directly or indirectly, to the persons being investigated. Evergreen shall make adequate resources available to assure that the investigations are reasonably and properly completed. Evergreen's annual report to HHS/OIG shall contain summary information regarding the general nature of the complaints received and a summary of the types of actions taken to verify and, if applicable, resolve the complaints.

16. Dealing with Excluded or Convicted Persons or Entities. Evergreen shall implement a written internal operating policy that Evergreen shall not knowingly employ or contract with, with or without compensation, an individual or entity who is listed by a federal agency as debarred, suspended or otherwise ineligible to participate in federal programs. In order to carry out the policy, Evergreen shall make reasonable inquiry into the status of any current or potential employee, consultant, or contractor. Such reasonable inquiry shall include, at a minimum, review of the HHS/OIG Cumulative Sanctions Report and the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs. This paragraph does not require Evergreen to terminate the employment of individuals who become suspended or are proposed for debarment during their employment with Evergreen. Evergreen, however, will remove such employees from responsibility for, or involvement with, Evergreen's Medicare or Medicaid business operations until the resolution of such suspension or proposed debarment. In addition, if any employee of Evergreen is charged with a criminal offense relating to Medicare or Medicaid business, Evergreen will, if appropriate, remove that employee immediately from responsibility for, or involvement with, Evergreen's Medicare and Medicaid business affairs. If the employee is convicted or debarred, Evergreen's policy may require that the employee will be terminated from employment with Evergreen. Evergreen shall notify HHS/OIG of each such personnel action taken and the reasons therefor, within fifteen (15) days of the final action. Evergreen shall not allow any person convicted in any local, state, or federal court of any felony involving health care matters to hold the position of officer or director of Evergreen.

17. HHS Inspection, Audit and Review Rights. In addition to any other right that HHS may have by statute, regulation, contract or pursuant to this Agreement, HHS or its duly authorized representative(s) may examine any of Evergreen's non-privileged books, records, and other company documents and supporting materials for the purpose of verifying and evaluating: (a) Evergreen's compliance with the terms of this Agreement; (b) Evergreen's business conduct in its dealing with the United States Government, or any agencies or agents thereof, and (c)

Evergreen's compliance with the requirements of the Medicare and Medicaid programs and other federally-funded health care programs. The documentation described above shall be made available by Evergreen at all reasonable times for inspection, audit or reproduction. Furthermore, for purposes of this provision, HHS or its authorized representative(s) may interview any Evergreen employee who consents to be interviewed at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the employee and HHS, provided that all communications with "controlling individuals," as that term is defined by DOJ regulations, are made through counsel representing Evergreen. Employees, except "controlling individuals," may elect to be interviewed with or without a representative of Evergreen present, but each employee shall expressly be advised of his or her right to have counsel present at the interview.

18. Document and Record Retention. Evergreen shall maintain for inspection non-privileged documents and records currently in its possession relating to Medicare and Medicaid reimbursement for a period of five (5) years following the execution of this Agreement.

19. Breach. In the event that HHS/OIG believes Evergreen has materially breached one or more of its obligations under the Agreement, or that a material violation has occurred, HHS/OIG shall notify Evergreen of the alleged material breach by certified mail, specifying the nature and extent of the alleged material breach. Evergreen will have thirty (30) days from receipt of the notice: (a) to fully cure the breach; or (b) otherwise satisfy the government that (1) it is in full compliance with this Agreement or (2) the material breach cannot be reasonably cured with 30 days, but that Evergreen has taken action to cure the material breach and is pursuing such action with diligence.

20. Default. If, at the end of the thirty (30) day period described above, HHS/OIG determines that Evergreen continues to be in material breach of one or more of its obligations under this Agreement, and that Evergreen is not taking appropriate action to cure such material breach, HHS may, through its Office of Inspector General, declare Evergreen or its affiliate(s) involved to be in default of this Agreement and may seek to exclude or suspend Evergreen and/or its affiliate(s) from participation in Title XVIII (Medicare) program, the Title XIX (Medicaid) program and other State health programs as defined in Title 42 U.S.C. section 1320a-7(h) until such time as Evergreen or its affiliate(s) has fully cured such material breach or otherwise satisfied HHS in accordance with the provisions hereof. The document by which HHS/OIG's intention to exclude shall be hereafter referred to as the "Notice of Intention to Exclude Letter." In the event Evergreen or its affiliate(s) fully cures the material breach or otherwise satisfies HHS/OIG, it shall be promptly reinstated, retroactive to the date of the cure.

Upon receipt by Evergreen of HHS/OIG's Notice of Intention to Exclude Letter, Evergreen shall be entitled to the due process afforded a provider under 42 U.S.C. section 1320a-7(f). Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for exclusion based on a breach of this Agreement shall be: (1) whether Evergreen was in material breach of one or more of its

obligations under this Agreement, at the time of and as specified in the Notice of Intention to Exclude Letter; (2) whether such material breach was continuing on the date on which HHS/OIG notified Evergreen of its proposal to exclude; and (3) whether Evergreen failed to cure the material breach or otherwise satisfied HHS/OIG within thirty (30) days after receiving notice thereof from HHS/OIG.

Subsequent to a final decision to exclude or suspend Evergreen, Evergreen shall have the right to seek reinstatement at any time, subject to the provisions of 42 C.F.R. § 1001 Subpart F.

21. Costs Related to Compliance Plans. In addition to the obligations assumed by Evergreen under the Agreement and as described above, if HHS/OIG reasonably determines that it is necessary to conduct an independent audit or review to determine whether, or to the extent to which Evergreen is complying with its obligation under this Agreement, Evergreen agrees to pay for the reasonable cost of any such audit or review.

22. Confidentiality. The confidentiality of all documents and other information provided by Evergreen in connection with its obligations under this Agreement shall be maintained by HHS except to the extent disclosure is required by law. Nothing in this Agreement shall be construed to prohibit HHS from providing information to any other department or agency of the United States Government or of any State charged with enforcing the laws against health care fraud if the information relates to matters within the department's or agency's jurisdiction, provided that any such entity receiving such information shall be advised by HHS of the confidentiality provisions of this Agreement. HHS agrees that certain information submitted to it under this Agreement may constitute trade secrets or confidential commercial or financial information within the meaning of section 552(b)(4) of the Freedom of Information Act (FOIA), 5 U.S.C. § 552(b)(4). Since HHS has determined that records may fall under this exemption, HHS further agrees to follow its predisclosure notification procedures set out in 45 C.F.R. § 5.65. These procedures include prior notice to Evergreen of any potential release of records under the FOIA and an opportunity to provide information as to why the information is exempt under 5 U.S.C. § 552(b)(4). Evergreen will also be given advance notice if HHS decides that any such information is not exempt under section 552(b)(4).

23. This Agreement does not constitute, and shall not be construed as, an admission by any person or entity, with respect to any issue of law or fact. The performance under this Agreement of any of the obligations of Evergreen, including the submission of documents and reports required by this Agreement, does not constitute, and shall not be construed as, an admission by any person or entity, with respect to any issue of law or fact.

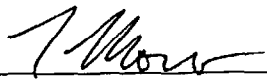
24. This Agreement (and the associated Settlement Agreement) constitutes the entire agreement between the Parties. This Agreement may not be altered except by written consent of the Parties. No other additional promises, conditions or agreements have been entered into other than those stated in this Agreement.

25. The provisions of this Agreement will be binding upon the Parties and their heirs, successors, assigns and transferees.

IN WITNESS WHEREOF, the parties hereto affix their signatures

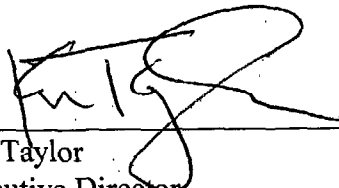
FOR THE U.S. DEPARTMENT OF HEALTH AND  
HUMAN SERVICES

1/18/98  
Date

  
Lewis Morris  
Assistant Inspector General for  
Legal Affairs

FOR EVERGREEN COUNSELING CENTER

12/12/97  
Date

  
Ken Taylor  
Executive Director

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